

REINZ Code of Practice for Residential Property Management

November 2023

REINZ REAL ESTATE
INSTITUTE OF
NEW ZEALAND

Introduction

The Real Estate Institute of New Zealand (REINZ) is a voluntary organisation representing practitioners in the real estate industry. REINZ and its Members are committed to developing and enhancing the real estate industry by providing excellence in customer care and upholding standards of practice that are open, ethical and honest. All Property Management Agency Members of REINZ (Agency Members) agree to support this objective by abiding by these principles in all dealings with all parties in their professional capacity.

This Code of Practice for Residential Property Management (Code) governs the conduct of Agency Members of REINZ and their property managers, letting agents and other employees and/or independent contractors undertaking residential property management and letting services.

All Agency Members of REINZ will take reasonable steps to ensure that all relevant employees and/or independent contractors are familiar with the Code and conduct their activities in accordance with both the principles and spirit and intention of the Code.

REINZ Agency Members must also abide by the REINZ Code of Agency Practice and the Code of Individual Membership, which covers the individual conduct of all persons engaged in every Agency Member's business.

General

Agency and Individual Members should comply with the requirements of all relevant legislation, including (but not limited to) the Residential Tenancies Act 1986, Privacy Act 2020, Secret Commissions Act 1910, Health and Safety at Work Act 2015 and its related regulations, Building Act 2004 and Building Code, Housing Improvement Regulations 1947, Healthy Homes Guarantee Act 2017 and Fair Trading Act 1986, along with any amendments to this legislation. Agency and Individual Members must also abide by any obligations set down by any statutory or professional body established to oversee their respective area of practice.

Agency Members and Individual Members should comply with the Human Rights Act 1993, offer equality of service to any client or customer and not discriminate on the grounds of colour, race, nationality, religion, ethical belief, political opinion, sex, marital status, family status, employment status, disability, age or sexual orientation.

While the Agency Member or Individual Member is obliged to act in the best interests of their client landlords, tenants and prospective tenants should also be treated fairly.

Agency Members or Individual Members who make public their personal views on the residential property management sector should not claim or imply they are representing the official view or policies of REINZ, unless they have been authorised to do so by the Chief Executive Officer or Board of REINZ.

All Agency and Individual Members of REINZ should comply with the following:

1. Standards of Excellence in the Residential Property Management Sector

- 1.1. Act with professionalism, honesty and integrity to eliminate practices which may bring their agency and the sector into disrepute.
- 1.2. At all times, treat other Agency Members, Individual Members and independent Property Managers in a professional and courteous manner.

2. Landlord Care

- 2.1. At all times, provide professional, independent and objective advice to landlords.
- 2.2. Demonstrate professionalism, honesty and integrity in all dealings with landlords and avoid any conduct that could be misleading or deceptive.
- 2.3. Enter into written management authorities outlining all responsibilities, fees and charges to landlords.

3. Establishing a Rental Figure

- 3.1. Prepare rental assessments on a sound market basis with a current and accurate representation of the rental market, having researched Ministry of Business Innovation and Employment statistics, any available REINZ statistics and other available market information.

4. Management Authority

- 4.1. Use either the Residential Management Authority published by REINZ, or any other equivalent form that clearly sets out the terms and conditions of the agreement including, in the case of a management authority, the duties required of the Agency Member and the extent of the Agency Member's authority.
- 4.2. Complete all management authority documentation with accuracy and clarity.
- 4.3. Prior to advertising a property for letting or prior to commencing the management of a property, obtain an authority signed by all the registered owners of the property or persons authorised to sign the authority.
- 4.4. The registered owners of the property, or an authorised agent signing the agreement on their behalf, should be provided with a signed copy of the letting and/or management authority in a timely manner.

5. Tenant Selection and Tenancy Documentation

- 5.1. Give every prospective tenant a fair and reasonable opportunity to apply for a tenancy. Each application should be considered on its merits, with relevant checks, and at all times, in compliance with the Human Rights Act 1993 and applicable privacy laws, along with any amendments to this legislation.

- 5.2. Ensure applications are reviewed in order to determine the prospective tenant's ability to meet all provisions of the tenancy agreement.
- 5.3. Use either the Tenancy Agreement published by REINZ, or any other form, that clearly sets out the terms and conditions of the agreement.
- 5.4. All tenancy agreement documentation should be completed with accuracy and clarity. A copy of the signed tenancy agreement must be given to the tenant prior to the commencement of the tenancy, including, ingoing Property Inspection Reports which should be accepted by both tenant and Property Manager at the commencement of the tenancy.
- 5.5. Allow an intending tenant a reasonable opportunity to read the tenancy agreement prior to signing the agreement. They must be shown and have explained all the associated costs upon entering into the tenancy agreement e.g. bond and rent in advance.
- 5.6. Advise tenants of their right to seek independent advice on the tenancy agreement.

6. Tenant Care

- 6.1. At all times, treat tenants with courtesy and respect and comply with their legal obligations to tenants.
- 6.2. Recommend to tenants they consider obtaining tenants' contents and liability insurance.
- 6.3. Make a tenant aware of the necessity to notify the Agency Member or landlord, as soon as possible after discovery, of any damage to the premises or the need for any repairs, including, but not limited to, swimming pools and their fences and gates (if any).
- 6.4. Ensure the tenant is made aware that the rent needs to be paid as and when it is due and payable under the tenancy agreement.
- 6.5. Professionally manage situations that arise between tenants and those whom they may come into contact with such as neighbours, contractors, flatmates, guests and competing Property Managers.

7. Care of Managed Property

- 7.1. Manage the property in accordance with relevant statutes, tenancy agreement and management authority.
- 7.2. Use best endeavours to keep the landlord fully informed of any issues relating to the effective running of the management of their property.
- 7.3. Take reasonable steps to obtain the best pricing and options for repairs and maintenance. Be prudent in the selection of contractors engaged to carry out work on the property and ensure compliance with relevant health and safety legislation.
- 7.4. Professionally manage the handover of the property back to the landlord or the subsequent Property Manager (if applicable) as required including all relevant records/documentation/keys.

8. Care of Landlord and Tenant Funds

- 8.1. Ensure that client monies held by (or for) a Member are at all times held in a Trust Account as discussed in 8.2 below and as defined herein.

- 8.2. Where legal standards exist in respect of an Agency Member’s Trust Accounts (such as real estate agency work), ensure that all such legal standards are adhered to as a minimum. Alternatively, if there are no prescribed legal standards for that activity, Agency Members shall ensure:
- (i) That client monies are protected and that all necessary and prudent steps are taken to ensure the security of such client monies. This shall include ensuring an annual audit or independent review is carried out by a professional qualified in the operation and reconciliation of Trust Accounts.
 - (ii) Trust account records are kept in a manner that enables those records to be properly reviewed or audited.
 - (iii) That all instructions in regard to the disposition of client monies are promptly followed, except where to do so would be unlawful or unethical or is in conflict with instructions from other stakeholders.
 - (iv) They hold suitable professional indemnity and public liability insurance.
- 8.3. Act swiftly to implement procedures to remedy any rent arrears.
- 8.4. Keep full and accurate business records.

Definitions

“Agency Member”	A business entity or person whose name is entered in the Records of Membership as a Member of the Institute, whether as an Agency Member, Affiliated Member, Property Management Agency Member or any other class of corporate membership recognised by the Board of REINZ.
“REINZ”	The Real Estate Institute of New Zealand Incorporated.
“Trust Account”	An account held at a recognised trading bank with rating of [AA-] or better and recognised as such by the relevant bank as being a trust account in which funds which are not the property of the Agency Member are held and such funds are not to be used to offset any other obligations of the account holder to the Bank. The words “Trust Account” must appear in the name of any account in which client funds are held at any time that they are, or should be, under the Agency Member’s control.
“Accredited Property Manager”	A Member or a REINZ Affiliated Individual Property Manager who has met all the requirements for the REINZ Accreditation Programme for Residential Property Management, including investing 10 hours of continuing professional development per calendar year.